

**PLYMOUTH COUNTY, IOWA
Independent Auditors' Report
Financial Statements
And
Supplemental Information
Schedule of Findings and Questioned Costs
June 30, 2008**

PLYMOUTH COUNTY, IOWA

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PLYMOUTH COUNTY, IOWA

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PLYMOUTH COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
<hr/>		
John Schneider	Board of Supervisors	December 31, 2008
Jim Henrich	Board of Supervisors	December 31, 2008
C. Gordon Greene	Board of Supervisors	December 31, 2010
Don Kass	Board of Supervisors	December 31, 2010
Craig Anderson	Board of Supervisors	December 31, 2010
K. Kae Meyer	County Auditor	December 31, 2008
Linda Dobson	County Treasurer	December 31, 2010
Jolynn Goodchild	County Recorder	December 31, 2010
Mike Van Otterloo	County Sheriff	December 31, 2008
Darin J. Raymond	County Attorney	December 31, 2008
Robert Heyderhoff	County Assessor	December 31, 2009

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Plymouth County, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PLYMOUTH COUNTY, IOWA (the County) as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Plymouth County, Iowa, as of June 30, 2008, and the change in financial position for the year then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information are not required parts of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 13, 2009 on our consideration of Plymouth County, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on the major fund and aggregate remaining fund information.

The accompanying combining non-major fund financial statements, and the Schedule of Expenditures of Federal Awards which is presented for purposed of additional analysis is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 13, 2009

PLYMOUTH COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLYMOUTH COUNTY PROVIDES THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF ITS FINANCIAL STATEMENTS. THIS NARRATIVE OVERVIEW AND ANALYSIS OF THE ACCRUAL ACCOUNTING AND FINANCIAL ACTIVITIES IS FOR THE FISCAL YEAR ENDING JUNE 30, 2008. WE ENCOURAGE READERS TO CONSIDER THIS INFORMATION IN CONJUNCTION WITH THE COUNTY'S FINANCIAL STATEMENTS, WHICH FOLLOW.

2008 FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the end of FY08 by \$42,162,241 (net assets)
- Plymouth County's FY08 total net assets increased by \$2,974,723 from FY07.
- At the end of FY08, Plymouth County governmental funds reported combined ending fund balances of \$5,009,662, a \$19,735 decrease from the prior year. Approximately 46% of this total amount, \$2,341,644 is available for spending at the County's discretion (unreserved fund balance).
- At the end of FY2008, unreserved fund balance for the general fund was \$1,534,118 or 28% of total general fund expenditures
- The County's total debt decreased by \$320,000. The decrease was a result of the normal scheduled principal payments on the outstanding debt.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The **Government-wide Financial Statements** consist of a statement of net assets and a statement of activities. These provide information about the activities of Plymouth County as a whole and present an overall view of the County's finances.

The **Fund Financial Statements** tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Plymouth County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Plymouth County acts solely as an agent or custodian for the benefit of those outside of the government.

Notes to the Financial Statements provide more detailed data and explain some of the information in the financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the county's budget for the year.

Supplemental Information provides detailed information about the non-major special revenue and the individual fiduciary funds.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the County's finances is "Is the County as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

The **statement of net assets** presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the statement of net assets and the statement of activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, interest on long-term debt and capital projects. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about individual funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

Plymouth County has two types of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows in and out of those funds. These balances left at year-end are available for spending. The county has 15 governmental funds. These main governmental funds include: 1) the General Fund, 2) the Special Revenue funds such as Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Local Option Sales Tax Fund, Urban Renewal Fund 3) the Debt Service Fund, and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for Emergency Management Services, the County Assessor, and the Emergency 911 as a few examples.

The fiduciary funds required financial statements include a statement of fiduciary assets and liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Plymouth County's total net assets for FY08 totaled \$42,162,241. The analysis that follows focuses on the components of net assets for the governmental activities.

Net Assets of Governmental Activities

	2007	2008
Current and other assets	\$12,888,684	\$13,218,004
Capital assets	46,164,246	48,857,932
Total Assets	<u>59,052,930</u>	<u>62,075,936</u>
Long-term debt outstanding	12,147,767	11,844,109
Other liabilities	7,717,645	8,069,586
Total liabilities	<u>19,865,412</u>	<u>19,913,695</u>
Net assets:		
Invested in capital assets, net of related debt	42,069,246	45,082,932
Restricted	996,895	760,116
Unrestricted	(3,878,623)	(3,680,807)
Total net assets, restated	<u>\$39,187,518</u>	<u>\$42,162,241</u>

An insignificant portion of the County's net assets (restricted) represents resources that are subject to external restrictions on how they may be used. Unfortunately, there is not a positive balance in unrestricted net assets, which is used to meet the County's ongoing obligations to citizens and creditors. There is a negative balance due to the \$7,840,000 general obligation bond issued in 2005. This was not issued for County assets; it was for a grant awarded to Le Mars Business Initiative Corporation to be used for economic development purposes.

The County's net assets increased \$2,974,723 during the current year. This increase is attributable to factors such as: an increase in property tax revenue, an increase in charges for services, and a decrease in capital project expenditures.

Governmental Activities – Governmental activities increased the County's net assets by \$2,974,723. Key elements of this increase are as follows:

Change in Net Assets of Governmental Activities

	2007	2008
Revenues:		
Program revenues:		
Charges for service and sales	\$ 1,593,857	\$ 1,596,226
Operating grants and contributions	5,411,786	6,321,211
Capital grants and contributions	6,686,197	3,908,535
General revenues:		
Property tax	5,577,297	5,666,490
Interest & penalty on taxes	44,774	66,489
State tax credits	\$ 282,563	\$ 278,474

Local Option Sales Tax	\$ 1,014,421	\$ 1,016,813
General Intergovernmental revenues	45,292	89,771
Unrestricted Investment Earnings	239,569	193,477
Miscellaneous	230,472	198,539
Total Revenues	<u>21,126,228</u>	<u>19,336,025</u>
Program expenses:		
Public safety and legal services	2,473,027	2,634,029
Physical health and social services	259,282	268,373
Mental health	1,648,187	2,020,935
County environment and education	719,075	790,476
Roads and transportation	8,943,489	7,578,571
Government services to residents	624,684	607,234
Administration	1,883,902	1,913,770
Non-program services	110,352	20,000
Interest on long-term debt	550,471	526,564
Total expenses	<u>17,212,469</u>	<u>16,361,302</u>
Increase in net assets	3,913,759	2,974,723
Net assets - beginning	35,273,759	39,187,518
Net assets - ending	<u>\$39,187,518</u>	<u>\$42,162,241</u>

The following information was taken from the FY08 adopted Plymouth County budget:

Plymouth County adopted a County wide total property tax rate of 7.91350 per thousand dollars of taxable valuation in FY08.

The levy rates in the General Basic Fund were 3.50000 and 3.95000 in the Rural Basic Fund in FY08.

The MH/DD levy was set at 0.36835 per thousand dollars of taxable valuation in FY08.

The Debt Service levy was set at 0.09262 per thousand dollars of taxable valuation in FY08.

INDIVIDUAL MAJOR FUND ANALYSIS

As Plymouth County completed FY08, its budgetary governmental funds reported a combined fund balance of \$5,009,662. FY07 combined fund balances were \$5,029,397. This represents a total decrease of only \$19,735.

The General Fund, as the operating fund of Plymouth County, ended FY08 with a balance of \$1,534,118. The General Fund ending fund balance in FY07 was \$1,500,039. This represents an increase of \$34,079. The General Fund balance is maintaining a healthy state and in FY09 the budget planned to maintain this as well.

The MH/DD Fund ended FY08 with a balance of \$263,326. The ending fund balance for FY07 was \$22,768. This represents an increase of \$240,558. The MH/DD Fund is determined by state mandated formulas to set the maximum property tax dollars allowed. The fund balance has increased from last year, and is adequate to begin FY08. However, the State has indicated additional money will be available for counties incurring a fund balance below 10% of their expenses. If State mandates continue to determine the amount of money we can levy in this fund then cuts to services currently funded may be required.

The Rural Services Fund ended FY08 with a balance of \$464,620. The ending fund balance for FY07 was \$301,579. This represents an increase of \$163,041. The Rural Services fund balance has increased slightly. The Sheriff's deputy salaries and expenses have been moved back to the General Fund which has helped the Rural Services fund balance maintain a healthy state.

The Secondary Road Fund ended FY08 with a balance of \$1,964,395. The ending fund balance for FY07 was \$2,178,446. This represents a decrease of \$214,051. The decrease is due to the decrease in grant funding and the increase in project costs.

The Urban Renewal Fund ended FY08 with a balance of (\$1,320,814). The ending fund balance for FY07 was (\$1,320,833). This consists of the County's purchase of property known as "Winter Feed Lots", expenses the County incurred to grade and pave Keystone Ave. and the purchase of property known as Le Mars Industrial Park 2nd addition. The county intends to finance this deficit with future TIF revenues.

The Local Option Sales Tax Fund ended FY08 with a balance of \$1,336,147. The ending fund balance for FY07 was \$1,483,675. This represents a decrease of \$147,528. The decrease is attributed to the Board allocating more of the funds to the Local Option Sales Tax Advisory Board for projects throughout Plymouth County. It is also attributed to transferring funds to reimburse the General Basic Fund for the funds transferred several years prior out of it to the LOST fund.

The Debt Service Fund ended FY08 with a balance of \$47,703. The ending fund balance for FY07 was \$296,149. This represents a decrease of \$248,446. The balance is decreasing as the prior years fund balance contained the capitalized interest for the General Obligation bond payment for the Wells Corporate Center. The G.O. Bond payment in FY09 will also be made from this remaining fund balance.

General Fund Budgetary Highlights

The differences between the original FY08 budget and the FY08 final amended budget resulted from one budget amendment. The amendment increased General Basic revenues by \$138,978 and increased expenses by \$138,978. There was no net budgetary change for FY08 due to the amendment. (Budget figures and amendments are figured on a cash basis.)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY08, Plymouth County had approximately \$48,857,932 invested in capital assets, net of accumulated depreciation. At the end of FY07, Plymouth County had approximately \$46,164,246 invested in capital assets, net of accumulated depreciation.

Capital Assets of Governmental Activities at Year End		
	2007	2008
Land (capital asset not being depreciated)	\$ 891,457	\$ 1,040,107
Buildings and improvements	6,967,152	6,965,435
Equipment	3,292,170	3,422,426
Infrastructure	32,514,276	36,030,408
Construction in progress (capital asset not being depreciated)	2,499,191	1,399,556
Total Governmental Activities Capital Assets	46,164,246	48,857,932
Less: Total Capital Assets not being depreciated	3,390,648	2,439,663
Total Governmental Activities Capital Assets being depreciated, net	<u>\$ 42,773,598</u>	<u>\$ 46,418,269</u>

The County had a total accumulated depreciation expense on June 30, 2008 of \$27,274,525. Additional information on the County's capital assets can be found in Note 5 of the financial statements.

Long Term Debt

At the end of FY08 Plymouth County had total bonded indebtedness of \$11,615,000, including general obligation and local option sales tax revenue bonds.

Outstanding Debt of Governmental Activities at Year-End		
	2007	2008
Sales tax revenue bonds, series 2002 – Law Enforcement	4,095,000	3,775,000
Net total of related debt to county capital assets	4,095,000	3,775,000
General obligation bonds, series 2005A – Urban Renewal	7,840,000	7,840,000
Net total outstanding debt	<u>\$11,935,000</u>	<u>\$ 11,615,000</u>

Additional information on the County's long-term debt can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Plymouth County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2009 budget, tax rates, and fees that finance the various County services. The tax rate for FY09 in the Rural Basic Fund remains constant, at the 3.95000 maximum levy and the General Basic Fund remains constant at maximum levy of 3.50000 in order to properly fund operations of this fund for FY09. The General Fund ended FY08 with a \$34,079 net change in fund balance from FY07. (Plymouth County budgets on a cash basis, therefore, amounts in this budget section are also presented on a cash basis, while the rest of this report previous has been reported on an accrual basis.) The budget goal for the General Basic Fund is to help stabilize the General Fund Reserves. Plymouth County received an increase of \$25,182,649 of taxable valuation for FY09 compared to FY08, which increases the amount of property tax for the General Fund. The tax levy rate in the Debt Service Fund was reduced slightly to .08847 in FY09 from .09262 in FY08.

Plymouth County approved a levy rate of 0.22708 for FY09 for the General Basic Supplemental Fund. The County has never used the supplemental levy option prior to budget year 2009. This levy creates \$230,000 of tax which will be used to purchase the Counties tort liability insurance.

These factors were taken into account when adopting the budget for fiscal year 2009. The amounts available for appropriation in the General Fund are approximately \$5,615,235 and the General Basic Supplemental Fund is \$230,000. The amounts available for appropriation in Special Revenue Funds are approximately \$9,456,684. The amounts available for appropriation in the Debt Service Fund are \$1,258,581.

If these estimates are realized, Plymouth County's General Fund balance is expected to raise slightly at FY09 year-end. The Rural Fund balance is expected to increase in FY09 from FY08 due to revenues exceeding expenses and the fact the Sheriff deputies salaries, benefits and operating expenses have been moved back to the General Basic Fund.

CONTACTING THE COUNTY'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Plymouth County finances, and to show the County's accountability for the money it receives. This Management Discussion and Analysis was prepared by Auditor, Stacey Feldman. If you have any questions about this report or need additional information, contact:

Plymouth County Auditor's Office

Stacey Feldman – Plymouth County Auditor

215 4th Ave. SW
Le Mars, Iowa, 51031
Phone: (712) 546-6100
Fax: (712) 546-5784

PLYMOUTH COUNTY BOARD OF SUPERVISORS FOR FY 07-08:

Don Kass Jim Henrich John Schneider Gordon Greene Craig Anderson

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 2,009,206
Receivables:	
Property Tax	59,622
Future Property Tax	7,522,615
Accrued Interest	9,405
Accounts	21,224
Due from Other Governmental Agencies	853,699
Note Receivable	967,080
Inventories	775,408
Prepaid Insurance	122,901
Bond Issue Costs	121,918
Restricted Assets:	
Cash and Pooled Investments	754,926
Land	1,040,107
Construction in Progress	1,399,556
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	46,418,269
Total Assets	<u>62,075,936</u>
LIABILITIES	
Accounts Payable	455,079
Due to Other Governmental Agencies	5,165
Deferred Revenue - Future Property Tax	7,522,615
Accrued Interest Payable	42,513
Salaries and Benefits Payable	44,214
Long Term Liabilities:	
Due Within One Year:	
General Obligation Bonds	310,000
Revenue Bonds	340,000
Compensated Absences	229,109
Due in More Than One Year:	
General Obligation Bonds	7,530,000
Revenue Bonds	3,435,000
Total Liabilities	<u>19,913,695</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	45,082,932
Restricted for:	
Debt Service	760,116
Unrestricted	(3,680,807)
Total Net Assets	<u>\$ 42,162,241</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues
		Charges for Services
Primary Government:		
Governmental Activities:		
Public safety and legal services	\$ 2,634,029	\$ 562,714
Physical health and social services	268,373	
Mental health	2,020,935	
County environment and education	790,476	135,838
Roads and transportation	7,578,571	187,623
Government services to residents	607,234	435,553
Administration	1,913,770	9,963
Non-program services	20,000	
Debt Service	526,564	264,535
Total governmental activities	<u>\$ 16,361,302</u>	<u>\$ 1,596,226</u>

Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities
	\$ 87,115	\$ (1,984,200)
\$ 5,833	60,715	(201,825)
2,250,521		229,586
22,284		(632,354)
4,023,466	3,760,705	393,223
19,107		(152,574)
		(1,903,807)
		(20,000)
		(262,029)
<u>\$ 6,321,211</u>	<u>\$ 3,908,535</u>	<u>\$ (4,535,330)</u>

General Revenues:

Property and other county tax levied for:	
General Purposes	5,565,047
Debt Service	101,443
Interest and penalties on taxes	66,489
State tax credits	278,474
Local option sales tax	1,016,813
General intergovernmental revenues	89,771
Interest	193,477
Miscellaneous	198,539
Total general revenues	<u>7,510,053</u>
Change in net assets	2,974,723
Net assets - beginning	<u>39,187,518</u>
Net assets - ending	<u>\$ 42,162,241</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2008

	General	Mental Health	Rural Services
Assets			
Cash and Pooled Investments	\$ 81,189	\$ 483,519	\$ 489,043
Receivables:			
Property Tax	56,582	532	2,217
Future Property Tax	3,777,477	359,102	2,453,592
Accrued Interest	9,159		
Accounts	11,874		
Due from Other Funds	1,156,865		
Due from Other Governmental Agencies	217,177	19,718	
Note Receivable			
Prepaid Insurance	122,901		
Inventories			
Restricted Assets:			
Cash and Pooled Investments			
Total Assets	5,433,224	862,871	2,944,852
Liabilities and Equity			
Liabilities:			
Accounts Payable	54,176	239,834	22,147
Due to Other Funds			
Due to Other Governmental Agencies	5,135		30
Deferred Revenue	56,363	522	2,199
Deferred Revenue - Future Property Tax	3,777,477	359,102	2,453,592
Salaries and Benefits Payable	5,955	87	2,264
Total Liabilities	3,899,106	599,545	2,480,232
Fund Balances:			
Reserved for Debt Service			
Reserved for Inventories			
Reserved for Prepaid Insurance	122,901		
Reserved for Notes Receivable			
Unreserved, designated for:			
Computers	33,693		
Unreserved for:			
General Fund	1,377,524		
Special Revenue Fund		263,326	464,620
Capital Project Fund			
Total Fund Balances (Deficit)	1,534,118	263,326	464,620
Total Liabilities and Equity	\$ 5,433,224	\$ 862,871	\$ 2,944,852

See Accompanying Notes to Financial Statements

Secondary Roads	Local Option Sales Tax	Joint Urban Renewal	Debt Service	Other Governmental Funds	Total Governmental Funds
	\$ 189,912		\$ 47,639	\$ 717,904	\$ 2,009,206
		\$ 146	145		59,622
		826,944	105,500		7,522,615
			60	186	9,405
\$ 7,783				1,567	21,224
926,809	204,240				2,287,914
429,225	187,069			510	853,699
		967,080			967,080
					122,901
775,408					775,408
	754,926				754,926
2,139,225	1,336,147	1,794,170	153,344	720,167	15,384,000
138,922					455,079
		2,287,914			2,287,914
					5,165
		126	141		59,351
		826,944	105,500		7,522,615
35,908					44,214
174,830	-	3,114,984	105,641	-	10,374,338
775,408	754,926		47,703		802,629
					775,408
					122,901
		967,080			967,080
					33,693
					1,377,524
1,188,987	581,221	(2,287,894)		652,096	862,356
				68,071	68,071
1,964,395	1,336,147	(1,320,814)	47,703	720,167	5,009,662
\$ 2,139,225	\$ 1,336,147	\$ 1,794,170	\$ 153,344	\$ 720,167	\$ 15,384,000

See Accompanying Notes to Financial Statements

PLYMOUTH COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds (page 18)		\$	5,009,662
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.			48,857,932
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.			59,351
Accrued expenses from the balance sheet that require current financial resources for governmental activities.			(42,513)
Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.			121,918
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Revenue Bonds	(3,775,000)		
General Obligation Bonds	(7,840,000)		
Compensated Absences	(229,109)		(11,844,109)
Total Net Assets - Governmental Activities (page 14)		\$	<u>42,162,241</u>

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2008

	General	Mental Health	Rural Services
Revenue:			
Property and other county taxes	\$ 3,319,391	\$ 348,977	\$ 2,242,995
Interest and penalties on taxes	66,489		
Intergovernmental	415,086	1,861,342	120,328
Licenses and permits			13,450
Charges for services	925,158		10,015
Use of money and property	282,353		
Miscellaneous	142,850	40,202	673
Total Revenue	5,151,327	2,250,521	2,387,461
Expenditures:			
Current operating:			
Public safety and legal services	2,576,846		75,000
Physical health and social services	241,877		16,494
Mental Health		2,009,963	
County environment and education	487,673		325,670
Roads and transportation			
Government services to residents	598,731		
Administration	1,588,802		23,653
Non-program services	20,000		
Capital projects			
Debt service:			
Principal			
Interest			
Total Expenditures	5,513,929	2,009,963	440,817
Excess (deficiency) of revenues over expenditures	(362,602)	240,558	1,946,644
Other financing sources (uses):			
Transfers in	340,000		
Transfers (out)	(141,396)		(1,783,603)
Insurance Recoveries	57,524		
Proceeds from issuance of long-term debt	100,000		
Total other financing sources (uses)	356,128	-	(1,783,603)
Net Change in Fund Balances	(6,474)	240,558	163,041
Fund balances (deficits) - beginning of year	1,500,039	22,768	301,579
Increase (Decrease) in Reserve for:			
Prepaid Insurance	40,553		
Inventory			
Fund balances (deficits) - end of year	\$ 1,534,118	\$ 263,326	\$ 464,620

See Accompanying Notes to Financial Statements

Secondary Roads	Local Option Sales Tax	Joint Urban Renewal	Debt Service	Other Governmental Funds	Total Governmental Funds
	\$ 1,016,813	\$ 19	\$ 101,443		\$ 7,029,638
					66,489
\$ 4,729,102			268,747	\$ 39,479	7,434,084
5,466					18,916
2,430				6,304	943,907
35,786	1,207		8,166	5,349	332,861
120,916				9,807	314,448
4,893,700	1,018,020	19	378,356	60,939	16,140,343
				6,486	2,658,332
				5,833	264,204
					2,009,963
				55,955	869,298
6,461,398					6,461,398
				3,322	602,053
	361,313			400	1,974,168
					20,000
830,606				1,350	831,956
			420,000		420,000
			521,037		521,037
7,292,004	361,313	-	941,037	73,346	16,632,409
(2,398,304)	656,707	19	(562,681)	(12,407)	(492,066)
1,909,999			314,235	165,000	2,729,234
	(804,235)				(2,729,234)
					57,524
					100,000
1,909,999	(804,235)	-	314,235	165,000	157,524
(488,305)	(147,528)	19	(248,446)	152,593	(334,542)
2,178,446	1,483,675	(1,320,833)	296,149	567,574	5,029,397
					40,553
274,254					274,254
\$ 1,964,395	\$ 1,336,147	\$ (1,320,814)	\$ 47,703	\$ 720,167	\$ 5,009,662

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 21)	\$ (334,542)
--	--------------

Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year as follows:

Expenditures for capital assets	5,057,795	
Depreciation Expense	<u>(2,327,232)</u>	2,730,563

In the Statement of Activities, the loss on the disposition of capital assets is reported whereas the governmental funds report the proceeds from the sale as an increase in financial resources	(36,877)
--	----------

Revenues reported in the funds that are not available to provide current financial resources	2,641
--	-------

Accrued interest expense that does not require current financial resources	1,680
--	-------

Inventories and insurance in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding asset is exhausted.	314,807
---	---------

The effect of bond issuance costs when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	(7,207)
--	---------

Compensated absences that do not require current financial resources.	(16,342)
---	----------

Proceeds from issuance of long-term debt.	(100,000)
---	-----------

The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:	<u>420,000</u>
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Change in net assets of governmental activities (page 16)	<u>\$ 2,974,723</u>
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COUNTY OF PLYMOUTH, IOWA
STATEMENT OF FIDUCIARY NET ASSETS
Fiduciary Funds
JUNE 30, 2008

ASSETS

Cash and Pooled Investments	\$	1,526,188
Receivables:		
Property Tax		39,506
Future Property Tax		25,433,985
Assessments		39,876
Accounts		34,372
Accrued Interest		3,048
Due from Other Governments		11,356
Total Assets		<u>27,088,331</u>

LIABILITIES

Accounts Payable		79,809
Due to Other Governments		26,992,821
Compensated Absences		15,701
Total Liabilities	\$	<u>27,088,331</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 1 - Summary of Significant Accounting Policies

The County of Plymouth, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, general administrative services, and economic development.

The County's Financial Statements are prepared in accordance with the U.S. generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board. The more significant accounting policies established by GAAP and used by the County are discussed below.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. Plymouth County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The County participates in several jointly governed organizations for which the County is not financially accountable or that the nature and significance of the relationship with the County are such that exclusion does not cause the County's financial statements to be misleading or incomplete. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Plymouth County Assessor's Conference Board, Plymouth County and Municipal Joint Disaster Services Commission, and County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported as Agency Funds of the County.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities. The County has no business-type activities.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 1 - Summary of Significant Accounting (Continued)

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

- 1) **General Fund** – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 1 - Summary of Significant Accounting (Continued)

2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used for county infrastructure and county improvements.

The Joint Urban Renewal Fund is used to account for the TIF dollars that will be generated by a new TIF district established in Plymouth County.

3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 1 - Summary of Significant Accounting (Continued)

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted.

F. Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County uses the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Iowa Public Agency Investment Trust	Fair value determined by current share price

G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2006 to compute the amounts for the accrual period July 1, 2007 to June 30, 2008. These taxes were due and payable in two installments on September 30, 2007 and March 31, 2008 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.

H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.

Although the succeeding year property tax receivable has been recorded, for governmental funds the revenue is recorded as unearned revenue and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due from other governments.

I. Assessments Receivable – Assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten or more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represents assessments, which are due and payable in the next year but have not been collected and are recorded in a fiduciary fund of the County.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 1 - Summary of Significant Accounting (Continued)

- J. Due to/from Other Funds – During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.
- K. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- L. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Reported inventories in the fund financial statements are equally offset by a fund balance reserve, which indicates that they are not available to liquidate current obligations.
- M. Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of property tax receivable not collected within sixty days after year-end.
- N. Landfill – The County participates in a 28E agreement with Plymouth County Solid Waste Agency and therefore, is not required to account for landfill post closure costs.
- O. Compensated Absences – County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2008. The compensated absence liability attributable to the governmental activities will be paid primarily by General and Secondary Roads Funds.
- P. Long-Term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums and discounts on new debt issued are reported as an other financing source or use.

- Q. Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use a specific purpose.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 1 - Summary of Significant Accounting (Continued)

R. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000 for equipment, \$25,000 for land and buildings, and \$65,000 for infrastructure. Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Buildings and Structures	10 - 75 Years
Infrastructure	10 - 65 Years
Machinery and Equipment	5 - 20 Years

Note 2 - Deposits and Pooled Investments

The County's deposits at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County had investments in the Iowa Public Investment Trust which are valued at an amortized cost of \$127,521 pursuant to Rule 2a-7 under the Investment Company Act of 1940. This investment is not rated.

Interest rate risk: The County's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days, but the maturities shall be consistent with the needs and use of the County.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 3 - Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2008 is as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
Secondary Roads	Joint Urban Renewal	\$ 926,809
General Basic	Joint Urban Renewal	1,156,865
Local Option Sales Tax	Joint Urban Renewal	204,240
		<u>\$ 2,287,914</u>

The purpose of the interfund balances is to help finance short-term cash flow shortages.

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2008 is as follows:

	<u>General</u>	<u>Rural Services</u>	<u>Local Option Sales Tax</u>	<u>Total Transfer In:</u>
General	\$ -	\$ -	\$ 340,000	\$ 340,000
Secondary Roads	126,396	1,783,603	-	1,909,999
Debt Service Fund	-	-	314,235	314,235
Non-Major Governmental Funds	15,000	-	150,000	165,000
Transfer Out:	<u>\$ 141,396</u>	<u>\$ 1,783,603</u>	<u>\$ 804,235</u>	<u>\$ 2,729,234</u>

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note - 5 Capital Assets

A summary of changes in capital assets is as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 891,457	\$ 148,650	\$ -	\$ 1,040,107
Construction in Progress	2,499,191	3,144,066	4,243,701	1,399,556
Total capital assets not being depreciated	3,390,648	3,292,716	4,243,701	2,439,663
Capital assets being depreciated:				
Buildings	7,937,283	126,766	-	8,064,049
Equipment	7,129,103	621,568	178,803	7,571,868
Infrastructure	52,796,431	5,260,446	-	58,056,877
Total capital assets being depreciated	67,862,817	6,008,780	178,803	73,692,794
Less accumulated depreciation for:				
Buildings	970,131	128,483	-	1,098,614
Equipment	3,836,933	454,435	141,926	4,149,442
Infrastructure	20,282,155	1,744,314	-	22,026,469
Total accumulated depreciation	25,089,219	2,327,232	141,926	27,274,525
Total capital assets being depreciated, net	42,773,598	3,681,548	36,877	46,418,269
Governmental activities capital assets, net	\$ 46,164,246	\$ 6,974,264	\$ 4,280,578	\$ 48,857,932

Depreciation expense was charged to the functions as follows:

Public safety and legal services	\$ 62,338
Physical health and social services	3,434
Mental health	9,325
County environment and education	19,053
Roads and transportation	2,084,128
Government services to residents	6,424
Administration	142,530
	<u>\$ 2,327,232</u>

Reconciliation of Invested in Capital Assets:

	Governmental Activities
Land	\$ 1,040,107
Construction	1,399,556
Capital Assets (net of accumulated depreciation)	46,418,269
Less: Revenue Bonds	<u>(3,775,000)</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 45,082,932</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note - 6 Long-Term Liabilities

The County's computed legal debt limit as of June 30, 2008, is \$83,772,719 of which \$7,840,000 is committed for outstanding general obligation bonds.

The following is a summary of changes in long-term liability for the year ended June 30, 2008:

	General Obligation Bonds	L.O.S.T. Revenue Bonds	Compensated Absences	Total
Balance Beginning of Year	\$ 7,840,000	\$ 4,095,000	\$ 212,767	\$12,147,767
Increases	-	-	229,109	229,109
Decreases	-	320,000	212,767	532,767
Balance End of Year	<u>\$ 7,840,000</u>	<u>\$ 3,775,000</u>	<u>\$ 229,109</u>	<u>\$11,844,109</u>
Due Within One Year	\$ 310,000	\$ 340,000	\$ 229,109	\$ 879,109

Bonds Payable

A summary of the County's June 30, 2008 general obligation and local option sales tax revenue bond indebtedness is as follows:

	Date Of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2008
<i>Sales Tax Revenue Bonds:</i>					
Series 2002	2002	4.75 – 6.30%	\$320,000 - \$510,000	\$5,400,000	\$ 3,775,000
<i>General Obligation</i>					
<i>Urban Renewal Bonds:</i>					
Series 2005A	2005	3.15 – 4.40%	\$310,000 - \$630,000	\$7,840,000	7,840,000
					<u>\$ 11,615,000</u>

In June 2005, the County issued \$7,840,000 of General Obligation Urban Renewal Bonds to be used for economic development purposes in Plymouth County. The bonds will be repaid with future TIF revenues generated from the increased tax base.

Short-Term Liability

Balance Beginning of Year	\$ -
Increases	100,000
Decreases	<u>100,000</u>
Balance End of Year	<u>\$ -</u>

During the year the County purchased fixed assets with the short-term liability.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note - 6 Long-Term Liabilities (Continued)

The annual requirements to amortize all bonds outstanding as of June 30, 2008, are as follows:

Fiscal Year	General Obligation Principal	Sales Tax Revenue Bond Principal	Interest	Total
2009	\$ 310,000	\$ 340,000	\$ 502,080	\$ 1,152,080
2010	325,000	360,000	475,330	1,160,330
2011	345,000	375,000	446,227	1,166,227
2012	370,000	395,000	414,683	1,179,683
2013	390,000	415,000	380,484	1,185,484
2014-2018	2,195,000	1,890,000	1,312,285	5,397,235
2019-2023	2,670,000	-	618,313	3,288,313
2024-2025	1,235,000	-	81,758	1,316,758
	<u>\$ 7,840,000</u>	<u>\$ 3,775,000</u>	<u>\$ 4,231,160</u>	<u>\$ 15,846,110</u>

\$802,629 is available to service the General Obligation and Sales Tax Revenue Bonds. The general obligation bonds are to be retired through property tax levies. The Sales Tax Revenue Bonds are to be retired through local option sales tax revenue and contributions from surrounding communities pursuant to a 28E agreement.

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of the revenue bonds. A summary of the fund requirements is as follows:

Special Revenue	Type of Account	Required Balance June 30, 2008	Actual Balance June 30, 2008
Local Option Sales Tax	Sinking Fund	\$ 214,926	\$ 214,926*
Local Option Sales Tax	Reserve Fund	\$ 540,000	\$ 540,000*

*Amounts are classified as restricted assets on the combined balance sheet.

Note 7 - Risk Management

Plymouth County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 563 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 7 - Risk Management (Continued)

Capital contributions are made during the first six years of membership and are maintained to equal 200 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2008 were \$212,124.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$6,000,000 in aggregate per year. For members requiring specific coverage from \$3,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member. The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2008, no liability has been recorded in the County's financial statements. As of June 30, 2008, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions. However, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 7 - Risk Management (Continued)

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and employee blanket bond in the amount of \$500,000 and \$100,000, respectively. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County also participates in the Iowa Municipalities Workers' Compensation Association (IMWCA) for workman's compensation insurance.

Note 8 - Pension and Retirement (Continued)

Iowa Public Employees Retirement System – The County contributed to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by the state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA 50306-9117

Plan members are required to contribute 3.9% of their annual covered salary and the County is required to contribute 6.05% of covered salary for the year ended June 30, 2008. Plan members were required to contribute 3.7% of their annual covered salary and the County is required to contribute 5.75% of covered salary for the years ended June 30, 2007 and 2006. Certain employees in special risk occupations and the County contribute on actuarially defined contribution rate. Contribution requirements are established by state statute. The County contribution to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$283,544, \$270,143, and \$259,868, respectively, equal to the required contributions for each year.

Note 9 - 28E Agreement

During the year ended June 30, 2002, the County entered into several 28E Agreements with the communities in the County to contribute funds for the construction of a County jail from local option sales tax proceeds. The communities agreed to contribute a total of \$3,236,020 through November 2016. As of June 30, 2008, the communities have made payments totaling \$1,304,641.

Note 10 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2008, the County estimates that no material liabilities will result from such audits.

The County is a defendant in a number of lawsuits in its normal course of operations. The outcome of these lawsuits is not presently determinable and an estimate of possible losses cannot be made.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2008

Note 11 - Commitments

The County has entered into several construction contracts totaling \$447,927 for bridge and culvert construction and roadway paving. As of June 30, 2008 no costs had been incurred against the contracts. The balance of \$447,927 will be paid as work on the projects progress.

Note 12 - Deficit Fund Balances

The County has one fund with a deficit fund balance at June 30, 2008. The County intends to finance this deficit from future TIF revenues.

The individual fund deficit was as follows:

Special Revenue – Joint Urban Renewal \$ 1,320,814

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL - ALL GOVERNMENTAL FUNDS (BUDGETARY BASIS)
Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Amended		
Revenue:				
Property and other county taxes	\$ 6,983,357	\$ 6,983,357	\$ 7,002,068	\$ 18,711
Interest and penalties on taxes	36,400	36,400	66,643	30,243
Intergovernmental	6,492,275	7,041,387	7,234,136	192,749
Licenses and permits	20,600	21,600	18,916	(2,684)
Charges for services	952,780	973,480	932,204	(41,276)
Use of money and property	324,750	482,669	518,034	35,365
Miscellaneous	206,150	1,044,707	1,149,152	104,445
Total Revenue	15,016,312	16,583,600	16,921,153	337,553
Expenditures:				
Current operating:				
Public safety and legal services	2,708,016	2,811,994	2,650,924	161,070
Physical health and social services	279,582	279,582	268,776	10,806
Mental Health	1,705,500	2,100,900	1,991,571	109,329
County environment and education	866,633	892,833	861,270	31,563
Roads and transportation	5,612,000	7,507,311	7,410,095	97,216
Government services to residents	665,248	665,248	601,216	64,032
Administration	2,203,025	2,203,025	2,080,276	122,749
Non-program services	-	20,000	20,000	-
Debt service	946,236	946,236	941,037	5,199
Capital projects	1,334,000	1,134,000	793,365	340,635
Total Expenditures	16,320,240	18,561,129	17,618,530	942,599
(Deficiency) of revenues over expenditures	(1,303,928)	(1,977,529)	(697,377)	1,280,152
Other financing sources (uses):				
Transfers in	2,724,235	2,724,235	2,739,234	14,999
Transfers out	(2,724,235)	(2,724,235)	(2,739,234)	(14,999)
Insurance recoveries	-	-	57,524	57,524
General long-term debt proceeds	100,000	450,000	100,000	(350,000)
Total other financing sources (uses)	100,000	450,000	157,524	(292,476)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (1,203,928)</u>	<u>\$ (1,527,529)</u>	(539,853)	<u>\$ 987,676</u>
Balance beginning of year			<u>3,303,985</u>	
Balance end of year			<u>\$ 2,764,132</u>	

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2008

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, one budget amendment increased budgeted disbursements by \$2,240,889. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During fiscal year 2008, the County had one budget amendment. The amendment is as follows:

<u>Function</u>	<u>Original Budget</u>	<u>Amendment</u>	<u>Amended Budget</u>
Public Safety and Legal Services	\$ 2,708,016	\$ 103,978	\$ 2,811,994
Physical Health and Social Services	279,582	-	279,582
Mental Health	1,705,500	395,400	2,100,900
County Environment and Education	866,633	26,200	892,833
Roads and Transportation	5,612,000	1,895,311	7,507,311
Government Services to Residents	665,248	-	665,248
Administration	2,203,025	-	2,203,025
Nonprogram	-	20,000	20,000
Capital Projects	1,334,000	(200,000)	1,134,000
Debt Service	946,236	-	946,236
Total	<u>\$ 16,320,240</u>	<u>\$ 2,240,889</u>	<u>\$ 18,561,129</u>

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2008

During the year ended June 30, 2008, disbursements did not exceed the amounts budgeted.

As noted previously, the actual results of operations are presented in accordance with U.S. generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2007-08 budget. For purposes of preparing the budget comparison above, the actual expenses have been adjusted to the cash basis which is consistent with the County's budgeted expenditures. The adjustments required to convert the expenses to cash basis at the end of year are as follows:

Governmental Funds			
	Cash Basis	Total Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 16,921,153	\$ (780,810)	\$ 16,140,343
Expenditures	17,618,530	(986,121)	16,632,409
Net	(697,377)	205,311	(492,066)
Other Financing Sources (Uses)	157,524	-	157,524
Beginning Fund Balance	3,303,985	1,725,412	5,029,397
Increase in Reserve for Prepaid Insurance	-	40,553	40,553
Increase in Reserve for Inventory	-	274,254	274,254
Ending Fund Balance	<u>\$ 2,764,132</u>	<u>\$ 2,245,530</u>	<u>\$ 5,009,662</u>

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2008

	Special Revenue Funds			
	Revolving Loan Fund	Veteran Affairs County Grant	County Attorney Collection Incentive	Recorder's Records Management Fund
Assets				
Cash and Pooled Investments	\$ 450,000		\$ 18,808	\$ 25,114
Receivables:				
Accrued Interest				29
Accounts			1,567	
Due from Other Governmental Agencies		-		510
Total Assets	450,000	-	20,375	25,653
Fund Balances:				
Unreserved for:				
Special Revenue Fund	450,000		20,375	25,653
Capital Project Fund				
Total Fund Balances	450,000	-	20,375	25,653
Total Liabilities and Equity	\$ 450,000	\$ -	\$ 20,375	\$ 25,653

Special Revenue Funds					
REAP	Forfeiture Fund	Conservation Land Acquisition	Capital Projects	Total	
\$ 17,947	\$ 92,091	\$ 46,007	\$ 67,937	\$ 717,904	
23			134	186	
				1,567	
				510	
17,970	92,091	46,007	68,071	720,167	
17,970	92,091	46,007		652,096	
			68,071	68,071	
17,970	92,091	46,007	68,071	720,167	
\$ 17,970	\$ 92,091	\$ 46,007	\$ 68,071	\$ 720,167	

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
YEAR ENDED JUNE 30, 2008

	Special Revenue Funds			
	Revolving Loan Fund	Veteran Affairs County Grant	County Attorney Collection Incentive	Recorder's Records Management Fund
Revenue:				
Intergovernmental		\$ 5,833	\$ 12,169	
Charges for services				\$ 6,304
Use of money and property				510
Miscellaneous				
Total Revenue	-	5,833	12,169	6,814
Expenditures:				
Current operating:				
Public safety and legal services				
Physical health and social services		5,833		
County environment and education				
Government services to residents				3,322
Administration				
Capital projects				
Total Expenditures	-	5,833	-	3,322
Excess (Deficiency) of revenues over expenditures	-	-	12,169	3,492
Other financing sources (uses):				
Transfers in	\$ 150,000			
Total other financing sources (uses)	150,000	-	-	-
Net Change in Fund Balances	150,000	-	12,169	3,492
Fund balances - beginning of year	300,000	-	8,206	22,161
Fund balances - end of year	\$ 450,000	\$ -	\$ 20,375	\$ 25,653

Special Revenue Funds				
REAP	Forfeiture Fund	Conservation Land Acquisition	Capital Projects	Total
\$ 21,477				\$ 39,479
				6,304
807	\$ 2,027		\$ 2,005	5,349
	9,807			9,807
22,284	11,834	-	2,005	60,939
	6,486			6,486
				5,833
55,649	306			55,955
				3,322
			400	400
		1,350		1,350
55,649	6,792	1,350	400	73,346
(33,365)	5,042	(1,350)	1,605	(12,407)
		15,000		165,000
-	-	15,000	-	165,000
(33,365)	5,042	13,650	1,605	152,593
51,335	87,049	32,357	66,466	567,574
\$ 17,970	\$ 92,091	\$ 46,007	\$ 68,071	\$ 720,167

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
Agency Funds
JUNE 30, 2008

	County Recorder	County Sheriff	Ag Extension Education	County Assessor
ASSETS				
Cash and Pooled Investments	\$ 66,725	\$ 7,361	\$ 2,184	\$ 150,585
Receivables:				
Property Tax			270	919
Future Property Tax Assessments			183,002	621,071
Accounts	343			
Accrued Interest				100
Due from Other Governments				
Total Assets	67,068	7,361	185,456	772,675
LIABILITIES				
Accounts Payable		809		11,600
Due to Other Governments	67,068	6,552	185,456	750,535
Compensated Absences				10,540
Total Liabilities	\$ 67,068	\$ 7,361	\$ 185,456	\$ 772,675

Schools	Area Schools	Corporations	Townships	City Special Assessments
\$ 170,624	\$ 8,956	\$ 59,975	\$ 3,887	\$ 504
20,993	1,240	15,823	255	
13,801,337	853,249	9,683,851	287,930	39,876
13,992,954	863,445	9,759,649	292,072	40,380
13,992,954	863,445	9,759,649	292,072	40,380
\$ 13,992,954	\$ 863,445	\$ 9,759,649	\$ 292,072	\$ 40,380

(continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
Agency Funds
JUNE 30, 2008

	Auto License-Use Tax	Joint Disaster	Brucellosis & Tuberculosis Eradication	Tax Redemption
ASSETS				
Cash and Pooled Investments	\$ 557,223	\$ 21,134	\$ 43	\$ 23,376
Receivables:				
Property Tax			6	
Future Property Tax Assessments			3,545	
Accounts				
Accrued Interest				
Due from Other Governments				
Total Assets	557,223	21,134	3,594	23,376
LIABILITIES				
Accounts Payable				
Due to Other Governments	557,223	15,973	3,594	23,376
Compensated Absences		5,161		
Total Liabilities	\$ 557,223	\$ 21,134	\$ 3,594	\$ 23,376

Emergency 911	Future Tax Payment	Recorder's Electronic Fee Fund	Drainage Districts	Total
\$ 345,008	\$ 89,371	\$ 552	\$ 18,680	\$ 1,526,188
				39,506
				25,433,985
				39,876
34,029				34,372
2,948				3,048
10,846		510		11,356
392,831	89,371	1,062	18,680	27,088,331
67,400				79,809
325,431	89,371	1,062	18,680	26,992,821
				15,701
\$ 392,831	\$ 89,371	\$ 1,062	\$ 18,680	\$ 27,088,331

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
Year Ended June 30, 2008

	Balance June 30, 2007	Addi- tions	Deduc- tions	Balance June 30, 2008
County Recorder				
Assets				
Cash and Pooled Investments	\$ 78,154	\$ 472,811	\$ 484,240	\$ 66,725
Accounts Receivable	187	343	187	343
Total Assets	<u>78,341</u>	<u>473,154</u>	<u>484,427</u>	<u>67,068</u>
Liabilities				
Due to Other Governments	<u>78,341</u>	<u>473,154</u>	<u>484,427</u>	<u>67,068</u>
Total Liabilities	<u>78,341</u>	<u>473,154</u>	<u>484,427</u>	<u>67,068</u>
County Sheriff				
Assets				
Cash and Pooled Investments	<u>7,842</u>	<u>136,088</u>	<u>136,569</u>	<u>7,361</u>
Total Assets	<u>7,842</u>	<u>136,088</u>	<u>136,569</u>	<u>7,361</u>
Liabilities				
Account Payable	1,895	809	1,895	809
Due to Other Governments	<u>5,947</u>	<u>135,279</u>	<u>134,674</u>	<u>6,552</u>
Total Liabilities	<u>5,947</u>	<u>136,088</u>	<u>136,569</u>	<u>7,361</u>
Agricultural Extension Education				
Assets				
Cash and Pooled Investments	2,126	177,688	177,630	2,184
Property Tax Receivable	256	270	256	270
Future Property Tax Receivable	<u>177,000</u>	<u>183,002</u>	<u>177,000</u>	<u>183,002</u>
Total Assets	<u>179,382</u>	<u>360,960</u>	<u>354,886</u>	<u>185,456</u>
Liabilities				
Due to Other Governments	<u>179,382</u>	<u>360,960</u>	<u>354,886</u>	<u>185,456</u>
Total Liabilities	<u>179,382</u>	<u>360,960</u>	<u>354,886</u>	<u>185,456</u>
County Assessor				
Assets				
Cash and Pooled Investments	188,898	640,578	678,891	150,585
Property Tax Receivable	894	919	894	919
Future Property Tax Receivable	<u>620,451</u>	<u>621,071</u>	<u>620,451</u>	<u>621,071</u>
Accrued Interest	<u>385</u>	<u>100</u>	<u>385</u>	<u>100</u>
Total Assets	<u>810,628</u>	<u>1,262,668</u>	<u>1,300,621</u>	<u>772,675</u>
Liabilities				
Accounts Payable	56	11,600	56	11,600
Compensated Absences	2,287	10,540	2,287	10,540
Due to Other Governments	<u>808,285</u>	<u>1,240,528</u>	<u>1,298,278</u>	<u>750,535</u>
Total Liabilities	<u>\$ 810,628</u>	<u>\$ 1,262,668</u>	<u>\$ 1,300,621</u>	<u>\$ 772,675</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2008

	Balance June 30, 2007	Addi- tions	Deduc- tions	Balance June 30, 2008
Schools				
Assets				
Cash and Pooled Investments	\$ 167,941	\$ 13,569,628	\$ 13,566,945	\$ 170,624
Property Tax Receivable	20,689	20,993	20,689	20,993
Future Property Tax Receivable	13,523,111	13,801,337	13,523,111	13,801,337
Total Assets	<u>13,711,741</u>	<u>27,391,958</u>	<u>27,110,745</u>	<u>13,992,954</u>
Liabilities				
Due to Other Governments	<u>13,711,741</u>	<u>27,391,958</u>	<u>27,110,745</u>	<u>13,992,954</u>
Total Liabilities	<u>13,711,741</u>	<u>27,391,958</u>	<u>27,110,745</u>	<u>13,992,954</u>
Area Schools				
Assets				
Cash and Pooled Investments	8,657	838,824	838,525	8,956
Property Tax Receivable	1,048	1,240	1,048	1,240
Future Property Tax Receivable	836,016	853,249	836,016	853,249
Total Assets	<u>845,721</u>	<u>1,693,313</u>	<u>1,675,589</u>	<u>863,445</u>
Liabilities				
Due to Other Governments	<u>845,721</u>	<u>1,693,313</u>	<u>1,675,589</u>	<u>863,445</u>
Total Liabilities	<u>845,721</u>	<u>1,693,313</u>	<u>1,675,589</u>	<u>863,445</u>
Corporations				
Assets				
Cash and Pooled Investments	60,114	9,020,048	9,020,187	59,975
Property Tax Receivable	24,641	15,823	24,641	15,823
Future Property Tax Receivable	8,983,663	9,683,851	8,983,663	9,683,851
Total Assets	<u>9,068,418</u>	<u>18,719,722</u>	<u>18,028,491</u>	<u>9,759,649</u>
Liabilities				
Due to Other Governments	<u>9,068,418</u>	<u>18,719,722</u>	<u>18,028,491</u>	<u>9,759,649</u>
Total Liabilities	<u>9,068,418</u>	<u>18,719,722</u>	<u>18,028,491</u>	<u>9,759,649</u>
Townships				
Assets				
Cash and Pooled Investments	3,846	271,032	270,991	3,887
Property Tax Receivable	244	255	244	255
Future Property Tax Receivable	270,139	287,930	270,139	287,930
Total Assets	<u>274,229</u>	<u>559,217</u>	<u>541,374</u>	<u>292,072</u>
Liabilities				
Due to Other Governments	<u>274,229</u>	<u>559,217</u>	<u>541,374</u>	<u>292,072</u>
Total Liabilities	<u>\$ 274,229</u>	<u>\$ 559,217</u>	<u>\$ 541,374</u>	<u>\$ 292,072</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2008

	Balance June 30, 2007	Addi- tions	Deduc- tions	Balance June 30, 2008
City Special Assessments				
Assets				
Cash and Pooled Investments	\$ 2,797	\$ 3,283	\$ 5,576	\$ 504
Assessments Receivable	4,742	39,876	4,742	39,876
Total Assets	<u>7,539</u>	<u>43,159</u>	<u>10,318</u>	<u>40,380</u>
Liabilities				
Due to Other Governments	7,539	43,159	10,318	40,380
Total Liabilities	<u>7,539</u>	<u>43,159</u>	<u>10,318</u>	<u>40,380</u>
Auto License and Use Tax				
Assets				
Cash and Pooled Investments	500,502	6,256,299	6,199,578	557,223
Total Assets	<u>500,502</u>	<u>6,256,299</u>	<u>6,199,578</u>	<u>557,223</u>
Liabilities				
Due to Other Governments	500,502	6,256,299	6,199,578	557,223
Total Liabilities	<u>500,502</u>	<u>6,256,299</u>	<u>6,199,578</u>	<u>557,223</u>
Joint Disaster				
Assets				
Cash and Pooled Investments	12,205	91,606	82,677	21,134
Due from Other Governments	1,478	-	1,478	-
Total Assets	<u>13,683</u>	<u>91,606</u>	<u>84,155</u>	<u>21,134</u>
Liabilities				
Accounts Payable	350	-	350	-
Compensated Absences	1,679	5,161	1,679	5,161
Due to Other Governments	11,654	86,445	82,126	15,973
Total Liabilities	<u>13,683</u>	<u>91,606</u>	<u>84,155</u>	<u>21,134</u>
Brucellosis and Tuberculosis Eradication				
Assets				
Cash and Pooled Investments	49	8,408	8,414	43
Property Tax Receivable	4	6	4	6
Future Property Tax	3,456	3,545	3,456	3,545
Total Assets	<u>3,509</u>	<u>11,959</u>	<u>11,874</u>	<u>3,594</u>
Liabilities				
Due to Other Governments	3,509	11,959	11,874	3,594
Total Liabilities	<u>\$ 3,509</u>	<u>\$ 11,959</u>	<u>\$ 11,874</u>	<u>\$ 3,594</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2008

	Balance June 30, 2007	Addi- tions	Deduc- tions	Balance June 30, 2008
Tax Redemption				
Assets				
Cash and Pooled Investments	\$ 35,786	\$ 194,200	\$ 206,610	\$ 23,376
Total Assets	<u>35,786</u>	<u>194,200</u>	<u>206,610</u>	<u>23,376</u>
Liabilities				
Due to Other Governments	35,786	194,200	206,610	23,376
Total Liabilities	<u>35,786</u>	<u>194,200</u>	<u>206,610</u>	<u>23,376</u>
E-911				
Assets				
Cash and Pooled Investments	377,480	205,191	237,663	345,008
Accounts Receivable	35,723	34,029	35,723	34,029
Accrued Interest	638	2,948	638	2,948
Due from Other Governments	9,821	10,846	9,821	10,846
Total Assets	<u>423,662</u>	<u>253,014</u>	<u>283,845</u>	<u>392,831</u>
Liabilities				
Accounts Payable	12,237	67,400	12,237	67,400
Salaries and Benefits Payable	827	-	827	-
Due to Other Governments	410,598	185,614	270,781	325,431
Total Liabilities	<u>423,662</u>	<u>253,014</u>	<u>283,845</u>	<u>392,831</u>
Future Tax				
Assets				
Cash and Pooled Investments	69,119	96,425	76,173	89,371
Total Assets	<u>69,119</u>	<u>96,425</u>	<u>76,173</u>	<u>89,371</u>
Liabilities				
Due to Other Governments	69,119	96,425	76,173	89,371
Total Liabilities	<u>69,119</u>	<u>96,425</u>	<u>76,173</u>	<u>89,371</u>
Recorder's Electronic Fee Fund				
Assets				
Cash	521	6,322	6,291	552
Due From Other Governments	528	510	528	510
Total Assets	<u>1,049</u>	<u>6,832</u>	<u>6,819</u>	<u>1,062</u>
Liabilities				
Due to Other Governments	1,049	6,832	6,819	1,062
Total Liabilities	<u>\$ 1,049</u>	<u>\$ 6,832</u>	<u>\$ 6,819</u>	<u>\$ 1,062</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
Agency Funds
Year Ended June 30, 2008

	Balance July 1, 2007	Addi- tions	Deduc- tions	Balance June 30, 2008
Drainage Districts				
Assets				
Cash and Pooled Investments	\$ 19,288	\$ 72	\$ 680	\$ 18,680
Total Assets	<u>19,288</u>	<u>72</u>	<u>680</u>	<u>18,680</u>
Liabilities				
Due to Other Governments	19,288	72	680	18,680
Total Liabilities	<u>19,288</u>	<u>72</u>	<u>680</u>	<u>18,680</u>
 Total All Agency Funds				
Assets				
Cash and Pooled Investments	\$ 1,535,325	\$ 31,988,503	\$ 31,997,640	\$ 1,526,188
Receivables:				
Property Tax	47,776	39,506	47,776	39,506
Future Property Tax	24,413,836	25,433,985	24,413,836	25,433,985
Accounts	35,910	34,372	35,910	34,372
Assessments	4,742	39,876	4,742	39,876
Accrued Interest	1,023	3,048	1,023	3,048
Due from Other Governments	11,827	11,356	11,827	11,356
Total Assets	<u>26,050,439</u>	<u>57,550,646</u>	<u>56,512,754</u>	<u>27,088,331</u>
Liabilities				
Accounts Payable	14,538	79,809	14,538	79,809
Due to Other Governments	26,031,108	57,455,136	56,493,423	26,992,821
Compensated Absences	3,966	15,701	3,966	15,701
Salaries and Benefits Payable	827	-	827	-
Total Liabilities	<u>\$ 26,050,439</u>	<u>\$ 57,550,646</u>	<u>\$ 56,512,754</u>	<u>\$ 27,088,331</u>

COUNTY OF PLYMOUTH, IOWA

Schedule of Revenues By Source and Expenditures By Function - All Governmental Funds

For the Years Ended June 30, 2008, 2007, 2006, 2005

	Modified Accrual Basis of Accounting			
	2008	2007	2006	2005
Revenue:				
Property and other county tax	\$ 7,029,638	\$ 7,038,897	\$ 6,477,719	\$ 6,066,442
Interest and penalty on property tax	66,489	44,774	51,572	41,285
Intergovernmental	7,434,084	7,907,071	6,366,280	5,764,705
Licenses and permits	18,916	20,915	16,411	19,970
Charges for services	943,907	900,890	1,027,574	714,999
Use of money and property	332,861	427,026	512,097	361,449
Miscellaneous	314,448	288,332	285,461	237,226
Total Revenue	\$ 16,140,343	\$ 16,627,905	\$ 14,737,114	\$ 13,206,076
Expenditures:				
Current operating:				
Public safety and legal services	\$ 2,658,332	\$ 2,486,684	\$ 2,535,343	\$ 2,275,934
Physical health and social services	264,204	255,798	239,609	246,990
Mental health	2,009,963	1,638,704	1,565,248	1,431,115
County environment and education	869,298	778,989	655,145	7,743,681
Roads and transportation	6,461,398	6,699,545	4,793,094	4,890,445
Government services to residents	602,053	618,032	787,097	588,414
Administration	1,974,168	2,138,733	2,167,003	2,418,039
Non-program services	20,000	110,352	327,239	41,639
Capital projects	831,956	1,172,569	1,647,786	2,454,669
Debt service	941,037	950,554	941,384	665,329
Total	\$ 16,632,409	\$ 16,849,960	\$ 15,658,948	\$ 22,756,255

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis)
Year Ended June 30, 2008

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
Indirect:			
DEPARTMENT OF AGRICULTURE			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for Food Stamp Program	10.561		\$ 10,986
DEPARTMENT OF JUSTICE			
Iowa Department of Justice:			
Crime Victim Assistance	16.575		22,092
Iowa Department of Public Health			
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		2,190
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C075(109)-8J	208,286
		BROS-C075(110)-8J	185,219
		BROS-C075(111)-8J	209,827
			<u>603,332 *</u>
Iowa Department of Public Safety:			
Safety Incentives to Prevent Operation of Motor			
Vehicles by Intoxicated Persons	20.605		236
Safety Belt Performance Grants	20.609		3,467
State Traffic Safety Information System Improvement Grants	20.610		10,700
			<u>14,403</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		11,816
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		2,896
Foster Care - Title IV-E	93.658		6,967
Adoption Assistance	93.659		1,664
State Children's Insurance Program	93.767		98
Medical Assistance Program	93.778		15,051
Social Services Block Grant	93.667		7,750
Child Support Enforcement	93.563		220
Social Services Block Grant	93.667		71,004
			<u>117,466</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Iowa Department of Public Defense:			
Emergency Management Performance Grants	97.042		22,917
			<u>22,917</u>
Total Expenditures of Federal Awards			\$ 793,386

* Total disbursements from this program exceeds 50% of the total federal awards and is considered a major program.

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis) - (Continued)
Year Ended June 30, 2008

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Plymouth County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were as follows:
CFDA Number 20.205 – Highway Planning and Construction
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000
- (i) Plymouth County did not qualify as a low-risk auditee

Part II: Findings Related to the Financial Statements

SIGNIFICANT DEFICIENCIES

II-A-08: Financial Reporting

Observation – During the audit, we identified material amounts of receivables, payables and capital asset additions not recorded in the County's financial statements. Adjustments were subsequently made by the County to properly include these amounts in the financial statements.

Recommendation – The County should implement procedures to ensure all receivables, payables and capital asset additions are identified and included in the County's financial statements.

Response – We will double check these in the future to avoid missing any receivables, payables or capital asset transactions.

Conclusion – Response accepted

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Instances of Non Compliance

No matters were reported

There were no prior year audit findings

Part III: Findings and Questioned Costs For Federal Awards - None

Part IV: Other Findings Related to Required Statutory Reporting

IV-A-08 Certified Budget – Disbursements for the year ended June 30, 2008 did not exceed the amounts budgeted.

IV-B-08 Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-08 Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

IV-D-08 Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2008.

IV-E-08 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Recommendation – The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations. The County should seek reimbursement for the amount paid for the bond premiums for township clerks.

Response – We feel the amount each township owes is minimal and therefore, not worth the time it would take to figure and bill each township.

Conclusion – Response accepted.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

Part IV: Other Findings Related to Statutory Reporting (Continued)

- IV-F-08** County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2008 for the County Extension Office did not exceed the amount budgeted.
- IV-G-08** Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).
- IV-H-08** Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12b and 12c of the Code of Iowa and the County's investment policy were noted.



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
Plymouth County, Iowa:

Compliance:

We have audited the compliance of PLYMOUTH COUNTY, IOWA with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Plymouth County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Plymouth County's management. Our responsibility is to express an opinion on Plymouth County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Plymouth County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Plymouth County's compliance with those requirements.

In our opinion, Plymouth County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance:

The management of Plymouth County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Plymouth County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on effectiveness of Plymouth County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely effects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in a more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report, a public record by law, is intended solely for the information and use of the board of supervisors, employees and citizens of Plymouth County and other parties to whom Plymouth County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 13, 2009



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Plymouth County, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PLYMOUTH COUNTY, IOWA as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements listed in the table of contents and have issued our report thereon dated March 13, 2009. We conducted our audit in accordance with U.S generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance:

As part of obtaining reasonable assurance about whether Plymouth County, Iowa's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered Plymouth County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plymouth County, Iowa's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Plymouth County, Iowa's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency and material weakness.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely effects Plymouth County, Iowa's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Plymouth County, Iowa's financial statements that is more than inconsequential will not be prevented or detected by Plymouth County, Iowa's internal control. We consider the deficiency in internal control described in the accompanying Schedule of Findings and Questioned Costs as item II-A-08 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Plymouth County, Iowa's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

Plymouth County, Iowa's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the County's response, we did not audit Plymouth County, Iowa's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials, employees, and citizens of Plymouth County and other parties to whom Plymouth County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Plymouth County during the course of our audit. Should you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams + Company, P.C.
Certified Public Accountants

Le Mars, Iowa
March 13, 2009